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The Director of Central Intelligence

Washington, D.C. 20505

15 July 1982

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It is my pleasure to forward to you the enclosed interagency study, "Capabilities Against the Hostile Intelligence Threat, 1983-1988," which responds to National Security Study Directive No. 2 (NSSD 2), dated 16 February 1982.

I should like to make a few points which will help to put the study in perspective as you review it. The United States is a highly accessible target for foreign intelligence services. These services are stepping up their intelligence attack in aggressiveness and sophistication as well as magnitude of effort. As the study concludes, our capabilities against some parts of the problem are quite good; against others, seriously inadequate. There are some steps we can take right away to address the deficiencies identified in this study. Other improvements will require substantial resources and manpower. Some of the less costly responses, most of which can be implemented relatively quickly, will require new policy and legal measures.

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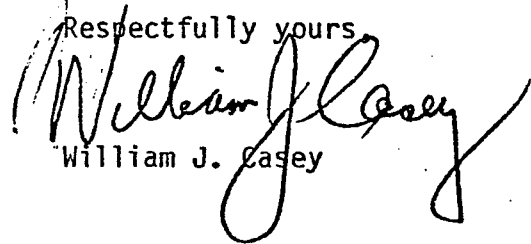
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We intend to use this study as a planning document when we develop the counterintelligence portions of the National Foreign Intelligence Program and budget. The managers responsible for those portions of the program will be expected to flesh out, price and rank the proposals contained herein when they submit their budget requests to me in September. With the advice of the National Foreign Intelligence Council, I expect to include those initiatives which are most critical and cost-effective in the consolidated National Foreign Intelligence Program budget that I will submit to you in November. The SIG-I which produced this study will monitor progress on the initiatives that are outside of the National Foreign Intelligence Program budget and will forward recommendations that specifically address the non-resource-related proposals in the study.

Respectfully yours



William J. Casey

Enclosure

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